

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 5527 / June 26, 2020**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19837**

**In the Matter of**

**GREGORY ALAN SMITH,**

**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 203(f) OF THE**  
**INVESTMENT ADVISERS ACT OF 1940,**  
**MAKING FINDINGS, AND IMPOSING**  
**REMEDIAL SANCTIONS**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Gregory Alan Smith (“Smith” or “Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

**III.**

On the basis of this Order and Respondent’s Offer, the Commission finds that

1. Smith, 56, is a resident of Shreveport, Louisiana. Between December 1999 through July 2010, Smith was associated with New England Securities Corp., a registered broker-dealer. In July 2010, Smith was permanently barred from association with any FINRA member in any capacity, in part, for misappropriating investor funds. From at least April 2013 until August 2014, Smith offered and sold to at least 29 investors participation rights in various historical or Pre-revolutionary Chinese bonds.

2. On July 23, 2019, Smith pleaded guilty to one count of conspiracy to commit wire fraud, in violation of Title 18, United States Code, Section 1349 before the United States District Court for the Western District of Louisiana, in United States v. Kirbyjon Caldwell et al. 5:18:cr-00084-01.

3. In connection with the plea, Smith admitted that between April 2013 and January 2016, he engaged in and conspired with others to engage in a scheme to defraud that involved materially misrepresenting to individuals that he would invest their money in “historical Chinese bonds.” Smith convinced investors that he and Kirbyjon Caldwell, were putting a deal together; that Caldwell had the bonds in his possession or was in the process of obtaining them; that Caldwell was brokering a deal to sell the bonds and that investors would receive exponential returns on his or her investment in a short period of time. None of the individuals were told that the bonds had no intrinsic value or that the bonds’ only value was as memorabilia. They also were not told that no previous investor had obtained the promised return on investment. If the individuals lacked the liquid asset to invest, Smith encouraged them to cash out annuities. The investors were advised to wire their investment funds from their financial institutions located in the Western District of Louisiana to one of three accounts held outside the State of Louisiana. In total \$3.5 million was “invested” in these bond deals.

#### **IV.**

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in the Respondent’s Offer.

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act, that Respondent Smith be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served

as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

For the Commission, by its Secretary, pursuant to delegated authority.

Vanessa A. Countryman  
Secretary